

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
DANVILLE DIVISION**

MELVIN CLARK, et al.,

Plaintiffs,

V.

**STANLEY FURNITURE COMPANY
LLC, et al.,**

Defendants.

Case No.: 4:20-cv-00063

DECLARATION OF MATTHEW W. SMITH

I, Matthew W. Smith, being over the age of 18, understanding the meaning of an oath, so
declare as follows:

1. I am the manager for Stone & Leigh LLC. In September 2018, Stone & Leigh purchased certain assets, including the youth furniture line, from the successor to Stanley Furniture Company. As part of that transaction, Stone & Leigh also assumed certain obligations of Stanley Furniture Company, including obligations under the Supplemental Retirement Plan of Stanley Furniture Company, Inc. (the “*SERP*”).

2. Under the SERP, certain former executives of Stanley Furniture are entitled to receive monthly retirement benefits. The SERP is an unfunded plan. In other words, the payments to the beneficiaries are made from general corporate funds.

3. In my Declaration filed in this matter on December 12, 2020 (Dkt. No. 43-4), I discussed how, beginning in the first half of 2020, Stone & Leigh's sales dropped, payments due on receivables from Stone & Leigh's customers declined, and Stone & Leigh suffered severe cash flow shortages. As a result, Stone & Leigh was unable to meet all of its general business obligations during 2020.

4. In recent months, these trends have reversed somewhat, and Stone & Leigh's cash position has improved.

5. On September 21, 2021, Stone & Leigh paid all amounts outstanding to the participants in the SERP.¹ The payments include the following payments to the Plaintiffs in this action:

<u>Plaintiff Name</u>	<u>Payment Amount</u>
John N. Busey	\$1,485.09
Kelly S. Cain	\$2,533.01
Jesse V. Cannaday	\$10,180.16
Melvin Clark	\$3,130.99
Charles William Cubberley, Jr.	\$9,914.96
Calvert Fulcher, Jr.	\$10,341.26
Herman Ellsworth Haley, Jr.	\$7,157.49
John W. Johnson	\$11,026.96
Dave P. Maddox	\$2,353.35
Douglas I. Payne	\$3,716.93
William G. Perdue	\$1,658.22
Robert J. Smith	\$3,843.37
Alexander Teglas, Jr.	\$2,091.77

¹ One SERP participant, who is not a plaintiff in this action, agree to forego payments at this time so that payments may be made to the remaining participants.

Larry E. Webb Jr.	\$19,076.64
<u>Total:</u>	<u>\$88,510.20</u>

6. I caused these payments to be made by ACH transfer in the amounts indicated on September 21, 2021. A genuine and complete copy of the payroll register reflecting these payments is attached hereto as **Exhibit A**.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 26th day of September, 2021.

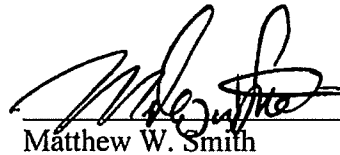

Matthew W. Smith

Exhibit A

Payroll Register

Stone & Leigh LLC
Company (D6895)Check Date: 09/22/2021
Process: 2021092201
Period: 08/31/2021Page
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Location: (RET) Retired Department: (9990) Ret

BUSEY, JOHN N Emp Id 903 Rate 0.0000	Total Earnings		0.00	1526.56	Total Taxes				11.87	Total Deductions		0.00		Reg
	Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type
	SERP	Supp Early Ret P			1485.09	FITW45	Federal Tax (945)	M-1	1485.09					Chk Date
						TX	Texas SITW		1485.09					Batch
														Net
														Dir Dep
														Chk Amt
														Chk/Vcr #
KELLY S Emp Id 904 Rate 0.0000	Total Earnings		0.00	1485.09	Total Taxes				11.01	Total Deductions		0.00		Reg
	Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type
	SERP	Supp Early Ret P			2533.01	FITW45	Federal Tax (945)	M-3	2533.01	44.13				Chk Date
						VA	Virginia SITW	M-3	2533.01	89.26				Batch
														Net
														Dir Dep
														Chk Amt
														Chk/Vcr #
CANNADAX, JESSE V Emp Id 905 Rate 0.0000	Total Earnings		0.00	2533.01	Total Taxes				133.39	Total Deductions		0.00		Reg
	Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type
	SERP	Supp Early Ret P			10180.16	FITW45	Federal Tax (945)	M-0	10180.16	2036.03				Chk Date
						VA	Virginia SITW	M-0	10180.16	40.56				Batch
														Net
														Dir Dep
														Chk Amt
														Chk/Vcr #
CLARK, MELVIN L Emp Id 906 Rate 0.0000	Total Earnings		0.00	10180.16	Total Taxes				2076.59	Total Deductions		0.00		Reg
	Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type
	SERP	Supp Early Ret P			3130.99	FITW45	Federal Tax (945)	S-0	3130.99	319.64				Chk Date
						VA	Virginia SITW	S-0	3130.99	137.01				Batch
														Net
														Dir Dep
														Chk Amt
														Chk/Vcr #
CUBBERLEY, WILLIAM C Emp Id 907 Rate 0.0000	Total Earnings		0.00	3130.99	Total Taxes				456.65	Total Deductions		0.00		Reg
	Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type
	SERP	Supp Early Ret P			9914.96	FITW45	Federal Tax (945)	M-99	9914.96					Chk Date
						NC	North Carolina SI	M-99	9914.96					Batch
														Net
														Dir Dep
														Chk Amt
														Chk/Vcr #
	Total Earnings		0.00	9914.96	Total Taxes				0.00	Total Deductions		0.00		Reg
	Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type
	SERP	Supp Early Ret P				FITW45	Federal Tax (945)	M-99	9914.96					Chk Date
									9914.96					Batch
														Net
														Dir Dep
														Chk Amt
														Chk/Vcr #

BUSEY,
JOHN N
Emp Id 903
Rate 0.0000CAIN,
KELLY S
Emp Id 904
Rate 0.0000CANNADAY,
JESSE V
Emp Id 905
Rate 0.0000CLARK,
MELVIN L
Emp Id 906
Rate 0.0000CUBBERLEY,
WILLIAM C
Emp Id 907
Rate 0.0000CBIZ
Filing status and exemptions display current data, not data at the time of the payroll.

Report 0 194-2021 NEW

Run Date: 09/21/21
Run Time: 12:07 PMLocation
Department
Employee(RET) Retired
(9990) Ret
to CUBBERLEY

Payroll Register

Stone & Leigh LLC
Company (D6895)Check Date: 09/22/2021
Process: 2021092201
Period: 08/31/2021Page
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Code	Earning	Hours	Rate	Amount	Code	Tax	Status	Taxable	Amount	Code	Deduction	Amount	Type	Reg
TEGLAS, ALEXANDER	SERP				FITW45	Federal Tax (945)	M-0	2091.77	107.51				Chk Date	09/22/2021
Emp Id 924					NC	North Carolina SI	M-0	2091.77	64.00				Batch	BN
Rate 0.0000													Net	1920.26
													Dir Dep	1920.26
													Chk Amt	0.00
													Chk/Vcr #	1558
Total Earnings														
		0.00		2091.77	Total Taxes				171.51	Total Deductions		0.00		
WEBB, LAWRENCE I	SERP				FITW45	Federal Tax (945)	M-4	19076.64	2993.89				Chk Date	09/22/2021
Emp Id 927					VA	Virginia SITW	M-99	19076.64	612.72				Batch	BN
Rate 0.0000													Net	15470.03
													Dir Dep	15470.03
													Chk Amt	0.00
													Chk/Vcr #	1557
Total Earnings														
		0.00		19076.64	Total Taxes				3606.61	Total Deductions		0.00		

Location: (RET) Retired Department: (9990) Ret Total

Employees	Code	Earning	Hours	Rate	Amount	Code	Tax	Taxable	Amount	Code	Deduction	Amount	Checks	0
Female	0	SERP				FITW45	Federal Tax (945)	101133.33	7385.84				Vouchers	20
Male	20				101133.33	NC	North Carolina SI	28607.07	303.00				Net	91059.88
Chks & Vchrs	20					TX	Texas SITW	1485.09					Dir Dep	91059.88
Female	0					VA	Virginia SITW	71041.17	2384.61				Chk Amt	0.00
Male	20													
Total Earnings														
			0.00		101133.33	Total Taxes			10073.45	Total Deductions		0.00		

Location: (RET) Retired Total

Employees	Code	Earning	Hours	Rate	Amount	Code	Tax	Taxable	Amount	Code	Deduction	Amount	Checks	0
Female	0	SERP				FITW45	Federal Tax (945)	101133.33	7385.84				Vouchers	20
Male	20				101133.33	NC	North Carolina SI	28607.07	303.00				Net	91059.88
Chks & Vchrs	20					TX	Texas SITW	1485.09					Dir Dep	91059.88
Female	0					VA	Virginia SITW	71041.17	2384.61				Chk Amt	0.00
Male	20													
Total Earnings														
			0.00		101133.33	Total Taxes			10073.45	Total Deductions		0.00		

Report Total

Employees	Code	Earning	Hours	Rate	Amount	Code	Tax	Taxable	Amount	Code	Deduction	Amount	Checks	0
Female	0	SERP				FITW45	Federal Tax (945)	101133.33	7385.84				Vouchers	20
Male	20				101133.33	NC	North Carolina SI	28607.07	303.00				Net	91059.88
Chks & Vchrs	20					TX	Texas SITW	1485.09					Dir Dep	91059.88
Female	0					VA	Virginia SITW	71041.17	2384.61				Chk Amt	0.00
Male	20													
Total Earnings														
			0.00		101133.33	Total Taxes			10073.45	Total Deductions		0.00		

CBIZ
Filing status and exemptions display current data, not data at the time of the payroll.Run Date: 09/21/21
Run Time: 12:07 PM
Location: Department Employee
(RET) Retired (9990) Ret
TEGLAS to WEBB

Report 0 104-2021 10/21